

Quote by Nikhil Dhaka, Vice President, Primus Partners

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Govt to roll out e-truck subsidy—but with a rider and the clock ticking

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NEW DELHI

The ministry of heavy industries is considering a subsidy of ₹5,000 per kWh of battery capacity for electric trucks, two people said, with about nine months left for its flagship electric vehicles incentive scheme to expire.

The government was earlier considering two subsidy options for e-trucks—₹5,000 per kWh and ₹7,500 per kWh, one of them said. Following consultations with stakeholders last month, “the ₹5,000

per kWh subsidy is being considered at the moment”, this person said.

That would amount to a ₹12.5-20 lakh subsidy per e-truck.

Mint couldn’t ascertain what transpired during the stakeholder consultations.

Detailed guidelines for availing subsidies for e-trucks under the PM E-Drive scheme will be notified in a few weeks, said the second person. Both of them requested anonymity.

The government, however, will provide incentives for e-trucks only against a certificate that establishes the scrap-



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ping of a conventional truck of equal or higher tonnage, as notified in the PM E-Drive (Electric Drive Revolution in

Innovative Vehicle Enhancement) scheme.

The scheme, which was launched in September, is set

to lapse in about nine months, at the end of this financial year. Under it, the government has allocated ₹500 crore towards incentives for buyers of e-trucks. The PM E-Drive scheme has a total outlay of ₹10,900 crore.

The government has identified electric trucks as a sunrise sector under the PM E-Drive scheme. *Mint* reported on 6 April that the government was rushing to assess demand for electric trucks in sectors such as ports, cement, steel, and logistics.

“When it comes to the PM E-Drive incentives, it (the incentive) is pivotal in over-

coming the biggest hurdle: the high upfront cost of electric trucks, especially in the N2 and N3 categories,” said Nikhil Dhaka, vice president-public policy, Primus Partners, a consultancy firm. “These vehicles need large battery packs (250-400 kWh), which makes them much pricier than their diesel counterparts.”

N2 refers to goods carriers with a total weight of 3.5-12 tonnes; N3 refers to bigger goods carriers, weighing 12-55 tonnes.

While a conventional diesel N2 category truck costs ₹17-18 lakh, an e-truck of similar

weight costs ₹60-64 lakh, Dhaka of Primus Partners said. A diesel N3 truck costs ₹22-24 lakh, while an electric truck of the same weight range costs ₹74-78.

The ministry of heavy industries did not reply to queries emailed on 1 July.

India’s e-truck market is nascent, with 5,356 electric goods carriers sold in FY25, lower than 6,158 units in FY24, as per Vahan, the national vehicle registry. Of these, electric medium and heavy goods carriers, or N2 and N3 categories of e-trucks, accounted for 200-230 units in both FY24 and FY25.